

Organising Change Delivery through Consultant Managers: the TESI Model

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Published PDF deposited in Coventry University Repository

Original citation:

Wylie, N. and Sturdy, A. (2015) 'Organising Change Delivery through Consultant Managers: the TESI Model' , 'CIPD Applied Research Conference 2015: The shifting landscape of work and working lives'. Held December 2015 at Shard, London.

<https://www.cipd.co.uk/learn/events-networks/applied-research-conference>

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CIPD Applied Research Conference 2015

The shifting landscape of work and working lives

Organising Change Delivery through *Consultant Managers*: the TESI Model

Conference paper

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Conference paper number: CIPD/ARC/2015/10

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Organising change delivery through *consultant managers*: the TESI model

Introduction

Among the shifts in the landscape of work is the changing nature of management. Managers have come to reject many traditional practices in favour of an approach that is more project-based and change-focused with an emphasis on 'delivery' and 'value'. While not totally discarding bureaucratic features, such as hierarchies, measurement and planning, many of the new management practices compare with those long associated with management *consultants*. In fact, increasingly, organisations actively seek to *internalise* consulting into their management practice. This is especially evident in an emerging group of 'consultant managers', including former employees of consulting firms and HR managers remodelled as business partners (Christensen et al, 2013). It is also reflected in a range of organisational units being formed which are responsible for change management and delivery (Sturdy et al, 2015). Some resemble the traditional internal consulting operations linked with large organisations, but others take new forms and labels, such as programme and performance delivery. Drawing on a large-scale research project looking at consultant managers in the UK¹, this short paper sets out the main senior management options for organising change delivery – the *TESI* model. It argues that each option brings its own advantages and tensions and can be adapted to particular contexts. We conclude by also considering some of the broader implications for management occupations such as HR, who may wish to develop their role in change management.

Researching consultant managers

There is long-standing debate around the changing nature of management. Some see it as having retained many of its bureaucratic characteristics, while others point to a fundamental shift towards *post-bureaucracy*. Our position is that there has been both continuity *and* change, creating a form of hybrid or *neo-bureaucratic* management where command and control are blended with empowerment, change and project-based working. This is a result of various factors such as flatter organisations, new technology and the rise of management education and investor capitalism. But a key mechanism in recent years has been the more or less explicit internalisation of consulting practices into management roles and functions to create a group of *consultant managers*. This broad category includes specialist staff who provide change advice, facilitation and management, typically on a project/programme basis and who see their role as associated with a form of consultancy.

Amongst this group are HR practitioners who may look to consultancy as a way of allowing them to deliver their specialist knowledge and so resolve long-standing problems of status and credibility. In particular, and as we shall see, operating as a consultant manager requires a focus on adding value – something that those in traditional HR roles have always struggled to identify. Often the connection between HR work and consultancy is seen in terms of how, for example, individual business partners may operate, but we are less interested in the change management competencies of individual consultant managers. Instead, the focus of the research reported here was their experiences within designated change delivery units.

This was one of the largest ever qualitative studies of consultancy, involving 95 interviews with consultant managers and their 'clients' across 24 UK organisations in both the public and private sectors (Sturdy et al, 2015). In the remainder of the paper, we look at how consulting groups were

incorporated within existing organisational structures and explore some of the practical implications for those responsible for change delivery.

The TESI model of organising change delivery internally

The TESI model represents the four dominant types of change delivery units in which consultant managers operate. We labelled these Transformers, Enforcers, Strategists and Independents (see Figure 1). Each one addresses particular strategic imperatives and, broadly speaking, can be distinguished along two dimensions: *structural integration* (that is, embeddedness in organisational structures) and *impact scope* (that is, focused on organisational or business unit levels). Importantly too, across all types of unit, there are some shared characteristics and experiences which include threats to their long-term stability.

1 Transformers

Transformers are units established with the purpose of delivering large-scale and transformational change. Often such change is directly related to an organisation's strategic objectives, meaning that the impact scope of Transformer units is broad and pan-organisational. In terms of structural integration, these units tend to operate across the organisation and so are detached from particular business units or functions. Transformers will most likely contain a combination of internal specialists seconded from operational areas and former external consultants with a strong project focus. This worked well in one public sector organisation, for example, where the unit used individuals with consultancy expertise and those with extensive organisation-specific knowledge to achieve a wide-ranging programme of cost savings. Through this type of combination, Transformer units are able to leverage existing organisational relationships (thereby promoting collaboration and co-ordination in silo-based organisations) as well as draw on external knowledge and insight.

Establishing a Transformer unit does carry risks. For example, a unit with broad impact scope is likely to have a high profile in the host organisation and high expectations for the impact of the change delivery. This can mean that Transformer units face strong sectional interests from operational managers suspicious about the extent of the change and keen to retain control over initiatives in their area. This can create disputes over responsibility for impact and threaten the added value of the change across the organisation. Also, these tensions can be exacerbated by the need for Transformer units to adopt a more directive and non-participative approach to change given that they often have limited timescales in which to achieve impact. Alternatively, otherwise successful Transformers can experience a form of 'mission creep' which can dilute their ability to add value.

2 Enforcers

Enforcers also have a pan-organisational focus, but they are more likely to be embedded in the organisational hierarchy, most notably in the form of a CEO support unit. As such, their role is to help executives translate strategic visions into specific projects and enforce a form of central control to ensure consistency. Consequently, Enforcers often have a quasi-policing role and are used to signal the strategic priorities of senior management across the organisation. In our research, it was most common for Enforcers to contain former external consultants whose relative independence from (other) sectional interests meant that they were more likely to be considered as trusted advisors to senior management. In an extreme case, one CEO referred to his Enforcer unit as 'the clever guys down the corridor' and used their existence to threaten other managers with investigations into key operational processes.

Of course, the risk with the Enforcer unit is that it is regarded with suspicion amongst operational managers, leading to antagonistic relationships. As one consultant manager from an Enforcer unit told us, being seen as the eyes and ears of the deputy CEO could 'close as many doors as it opens'. This shows that Enforcer units may be subject to the whims and short-term interests of a particular senior manager. Indeed, in this case, when the deputy CEO moved on, the unit was quickly disbanded.

3 Specialists

Consulting units do not always deliver change explicitly at the organisational level. If more incremental change is required, perhaps focused on developing organisational processes, a Specialist change delivery unit is an option. These units have a more limited (although not necessarily less important) impact scope because they typically have a functional focus. This means that they are embedded in organisational structures, often based in service functions such as IT or HR. They are staffed by subject-matter experts who are likely to see opportunities to deliver change around their specialism through the adoption of consultancy practices. They will also be funded through existing departmental budgets and have the expressed purpose of seeking to offer advice and guidance where needed within the organisation. In this way, Specialists present opportunities to develop the status and credibility of service functions such as HR by combining distinctive knowledge with change management insights.

Risks or challenges relating to Specialist units are that they may struggle to overcome long-standing assumptions about service functions. In our research, Specialists with an HR focus faced particular difficulties because they found that they had to overcome traditional, negative perceptions of their role. Moreover, the sometimes narrow focus of Specialists could mean they offered fairly limited problem-solving solutions, particularly if change issues did not map directly onto their interests.

4 Independents

Where managers identify the need for the persistent presence of a more generalist change delivery unit, Independents are an option. The impact scope of these units tends to be localised as they deliver change through specific projects within business units. At the same time, Independents are detached from core structures and operational areas and so operate largely outside of managerial hierarchies. In this way, Independents most closely resemble external consultancies because they are required to source their own work and to become self-funding. This is a clear point of contrast to the other units, which are designed to deliver pre-defined projects and are not subject to the same level of resource constraints. As with Transformers, Independents can combine former external consultants and managers from within the organisation in an attempt to benefit from both the exotic outsider status and detailed insider knowledge. Given that Independents tend to have a more fluid role, they are sometimes involved in creating and managing links to external consultancies. Also, in some cases, Independents were involved in work with *external* clients.

Independents may offer a lower-risk form of change delivery unit in that they have some autonomy over their work. However, they still face challenges. For example, as with external consultancies, the need to guarantee a pipeline of work may mean that the unit's focus shifts to fairly insignificant projects with the result that they lose credibility over time. They may also find that a great deal of their role is involved with relationship management activity to ensure that they are the first choice for change delivery work within the organisation. Problems may also emerge from complex funding arrangements as well as their extreme dependence on client resources and preferences in an internal market.

The TESI model – shared characteristics

As shown in Figure 1, there are a number of shared characteristics or experiences amongst the different change delivery units. First is the importance of the **personal credibility** of individual consultant managers. As we have seen, this can stem either from an individual's insider knowledge or the extent to which their external experience is considered new to the organisation. In some cases, particularly with Enforcers and Transformers, credibility may come from proximity to senior management, command of valued resources or perceptions about impact of projects upon the strategic direction of the client. That said, our research found that the personal credibility of consultant managers could be fragile and was not sufficient to sustain a unit. Change delivery units could find themselves in the position of the '*outsider within*', a dual identity that can impact negatively upon personal credibility.

A characteristic connected to credibility and common to these units is the need to employ effective **relationship management** practices. Here, many units sought to mirror consultancy practices through activities which established strong links with key operational managers, ensuring that there was a clear pipeline of work for the unit. Effective relationship management also acts to convince operational managers to place change delivery units on their list of preferred suppliers, rather than just looking to bring in external expertise to assist with projects.

Successful relationship management was more likely to be in evidence when the units could point to examples of **added value**. This third shared characteristic is a critical factor for all units because, unless they can point to an identifiable impact, they will struggle to be accepted across the organisation and sustain their role. Of course, making a link between the activities of the change delivery unit and impact is problematic, not least because some units pursued a degree of process consultancy in which the 'client' is considered to have done the work (and so achieved the objectives), with the consultant manager merely facilitating. As a result, units also shared a desire to develop a **range of tools and techniques** that would allow them to expand the type of projects where they could play a role and so enhance the distinctiveness and visibility of their contribution. The argument here was that the more distinctive their tools, the more likely the change delivery unit will be seen to have played a key role in driving impact.

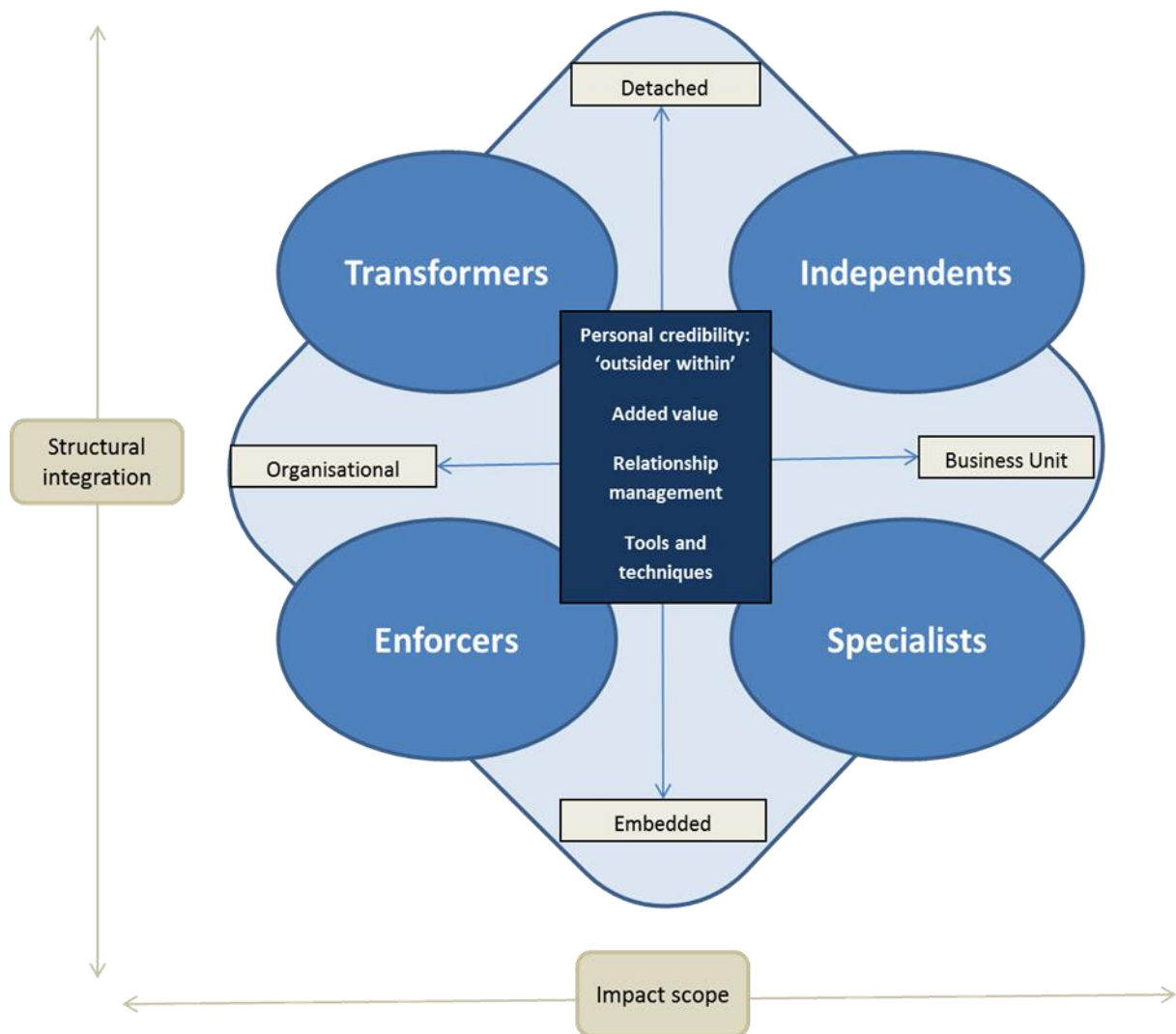


Figure 1: The TESI model of change delivery units

Evaluating the TESI model

The shared characteristics outlined above were fundamental in effecting the survival of the change delivery units. Each type faced different challenges based on its impact scope and structural location, and our research found that units were often transitory – disbanding and/or being re-formed in different parts of the organisation. Indeed, in evaluating the TESI model, it is important to stress that vulnerability should be regarded as an accepted part of the experience of change delivery units. This means seeing change delivery as a fundamentally dynamic activity, requiring individuals and units to adapt, not least because a successful unit will itself be partly involved in altering the organisational context. Indeed, change delivery units should not be seen as fixed to one of the types in the TESI model. In the research, we identified a number of units where shifts had occurred as they became either more or less embedded in organisational structures or saw a change in the scope of their projects. For example, one unit went from being Specialists to Independents as they actively sought to enhance their role through recruiting externally and adopting more specific relationship management techniques. This shift was successful to the extent that the unit made a pitch to become Enforcers, working more directly on strategic objectives. Such transitions could also occur in the other direction. One unit in a public sector organisation, for example, took a pragmatic approach

to ensure their survival and went from being Independents with a fairly broad impact scope to being Specialists working within a more limited functional domain.

In addition to units moving from one type to another, it is possible to use the model to consider hybrid change delivery units which combine features according to specific organisational contexts. For example, senior managers may seek to integrate the Transformer and Enforcer approaches in order to ensure that they assert greater control over significant change programmes. This might mean a change delivery unit that sits apart from the organisational structure (Transformer), but that is given the authority to drive through change by directly reporting to the CEO (Enforcer). Equally, Specialist units might be best utilised if they are allowed to operate as Independents because this can help develop a commercial outlook driven by an enhanced need to demonstrate added value to help guarantee their existence.

Concluding thoughts

While managing organisational change is no longer a novel feature of management work, change delivery remains a challenging task. The need for change is often well understood or, at least, confidently asserted, but allocating resources and identifying the expertise available to best drive this change is more problematic. Our research points to four approaches managers can pursue and adapt if they are seeking to achieve effective change delivery through designated units. As we have demonstrated, no approach within the TESI model is risk-free, but the framework provides managers with concrete options. For management occupations such as HR in particular, but also project management and accounting, the deployment of change delivery units presents an important opportunity to enhance their status and credibility through a more coherent involvement in change agendas.

In the specific case of HR, establishing change delivery units may lead to these positive outcomes, but it is important to exercise caution at the same time. As we have seen, these units are transitory and dynamic and they experience uncertainty about their role and ability to add value – a very similar type of uncertainty that has been a feature of HR roles for many years. Moreover, change delivery can be a crowded domain, with these other management groups seeking to establish jurisdiction and so control over change agendas. In these situations it is imperative that any occupational group considering reframing their role around the notion of the consultant manager is clear about how they offer a distinctive insight into change delivery. HR practitioners therefore need to reflect on the extent to which they are able to bring something unique to the process of delivering change.

More broadly, our research – and the TESI model in particular – indicates the influence of management consultancy as a practice on management. The emerging neo-bureaucratic role of the consultant manager is evidence of the nature of this changing landscape of work and presents organisations with a challenge of how to best utilise, develop and adapt their skills and capabilities.

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ⁱ The research was funded by the UK Economic and Social Research Council (ESRC—RES 000 22 1980A).